

November 19, 1962

MEMORANDUM FOR PIERRE SALINGER

Pierre:

Although tomorrow's press conference probably won't get very far away from Cuba and India, we are supplying the following:

1. Economic Measures Against Castro
2. Cuba - Tax Cut
3. Tax Cut and Expenditures
4. Deductibility of Mortgage Interest
5. Separation of Tax reduction and Reform (To be delivered later)
6. Gold and the Dollar
7. Balance of Payments
8. Adenauer-Procurement
9. Budget Deficit
10. Economy Drive
11. Investment Credit
12. Reuss Report
13. Savings Bonds Interest Rate Increase
14. Harris on Gold
15. Representative Bow on Deficit
16. Seizure of Manuscript at Laredo Border Station.

Dutton Donnelley

Attachments

DDonnelley:nmw  
11/19/62

SUBJECT: Cuba - Tax Cut

Q: Has the Cuban crisis in any way changed the outlook for tax reform and reduction for next year?

CURRENT SITUATION:

The Treasury's public position on this question has been that since immediate defense moves required by the Cuban crisis did not involve significant increases in defense spending, the outlook for tax reform and reduction next year remains unchanged.

SUGGESTED POINTS IN REPLY:

1. Any increase in international tension brings with it uncertainty about the immediate future. However, the economic outlook remains largely unchanged from what it was before the Cuban crisis arose.

2. The immediate actions required by the Cuban crisis were within our defense capability and therefore required no significant increase in defense spending. Therefore, the economic effects of the increase in tension have been relatively slight.

3. The need and outlook for tax reduction and reform remain substantially what they were before the Cuban crisis -- we intend to propose net reduction and reform, based on a thorough study of all alternatives involved.